

**MINUTES  
REGULAR MEETING  
UTILITY SERVICE BOARD  
SEPTEMBER 20, 2004**

The Regular Meeting of the Utility Service Board of the City of Jasper, Indiana, was held in the Council Chambers of City Hall in Jasper at 7:00 PM on Monday, September 20, 2004.

The meeting was called to order at 7 PM by Chairman Ken Sendelweck who presided.

**UPON CALL OF THE ROLL, THE FOLLOWING WERE PRESENT:**

Ken Sendelweck – Chairman  
Greg A. Krodel – Vice Chairman  
Edward J. Kreilein – Secretary  
Michael A. Schwenk – Electric Commissioner  
Jeffrey S. Theising – Water Commissioner  
Mike Harder – Wastewater Commissioner  
Dennis L. Hasenour – Gas Commissioner

**ALSO PRESENT:**

Jerry Schitter – Electric Distribution Manager  
Windell Toby – Electric Generation Manager  
Thomas A. Lents – Wastewater Manager  
Michael A. Oeding – Gas & Water Manager  
Kenneth R. Schultz – Business Manager  
Sandy Hemmerlein – City Attorney

**PLEDGE OF ALLEGIANCE** (A-20)

Chairman Ken Sendelweck led the Pledge of Allegiance.

**QUOTE OPENING: IRELAND METER PIT** (A-29)

Sandy Hemmerlein opened the quotes for the Ireland meter pit and read them aloud as follows:

- |    |   |   |
|----|---|---|
| 1. | Engineered Fluid, Inc.<br>Centralia, IL | \$18,714.00<br>440.00 deduct to reduce capsule height |
| 2. | S & K Equipment Co.<br>Vincennes, IN    | \$23,378.00   |

Mike Oeding asked for approval to proceed with the most responsive quote due to delivery time.

This expenditure was part of Oeding's 2004 Capital Expenditure Plan.

Mike Schwenk made a motion to allow Mike Oeding to proceed with the low quote if it meets specifications. Ed Kreilein seconded the motion. Motion approved, 7-0.

**QUOTE OPENING: 3-PHASE POWER ANALYZER – ELECTRIC DISTRIBUTION** (A-81)

Sandy Hemmerlein opened the quotes for the 3-phase power analyzer and read them aloud as follows:

- |    |   |  |
|----|---|--|
| 1. | Instruments & Technology, Inc.<br>Napierville, IL | \$5,223.00   |
| 2. | Synergy Systems<br>Shelby Township, MI            | \$5,500.00   |
| 3. | Hughes Mattoon Utilities<br>Mattoon, IL           | \$4,995.00<br>110.00 outlet tester<br>30.00 jack adapter<br>432.00 optional clothes pin<br>66.00 carrying case |

Jerry Schitter said he wanted to review the quotes and report back at the end of the meeting.

This expenditure was part of Schitter's 2004 Capital Expenditure Plan.

**QUOTE OPENING: NEW SUV – ELECTRIC DISTRIBUTION** (A-139)

Sandy Hemmerlein opened the quotes for a new SUV and read them aloud as follows:

- |    |                            |   |
|----|----------------------------|---|
| 1. | Sternberg's                | 2005 Dodge Durango<br>\$30,360.00<br><u>- 8,823.00</u> trade in 1989 full size van<br>\$21,537.00     |
| 2. | Ruxer Ford Lincoln Mercury | 2005 Ford Explorer<br>\$30,005.00<br>- 2,000.00 trade in<br><u>- 6,063.00</u> discount<br>\$21,942.00 |
| 3. | Bob Luegers                | 2005 GMC Envoy<br>\$23,500.00 with trade in   |
| 4. | Uebelhor & Sons            | 2005 Chevy Equinox<br>\$24,170.00<br><u>- 4,220.00</u> trade in<br>\$19,950.00                        |

Jerry Schitter stated that in his capital expenditure plan he had originally wanted a  $\frac{3}{4}$  ton pick up, but he changed to an SUV due to limited garage space. Schitter's existing Chevy Blazer will be handed down to Jim Reuber and Schitter will drive the new SUV.

Ed Kreilein made a motion for Jerry Schitter to take the quotes under advisement and report back at the next meeting. Mike Harder seconded the motion. Motion approved, 7-0.

#### **APPROVAL OF MINUTES** (A-207)

Chairman Ken Sendelweck presented the minutes of the August 16, 2004 meeting and there being no corrections or amendments, asked for a motion to accept. Jeff Theising made a motion to approve the minutes of the August meeting as presented. Mike Schwenk seconded the motion. Motion approved, 7-0.

#### **PUBLIC BUSINESS: VACATION OF PORTION OF ALLEY – 923 CARROLL ST** (A-215)

John and Mary Jo Hart of 923 Carroll St. came before the Board to request the vacation of a portion of the east-west alley between the two lots they recently purchased from the City.

Mr. Hart said he has been in contact with the utility managers and he is aware of an existing 15 ft. sewer easement, and he has no problem with allowing the City to retain it.

Jeff Theising made a motion to recommend to the City Council to allow the vacation of a portion of the east-west alley as presented. Dennis Hasenour seconded the motion. Motion approved, 7-0.

John and Mary Jo Hart also requested the vacation of a portion of the north-south alley behind their house at 923 Carroll St.

Mike Schwenk made a motion to recommend to the City Council to allow the vacation of a portion of the north-south alley as presented. Greg Krodel seconded the motion. Motion approved, 7-0.

#### **ANNEX TERRITORY IN HILLSIDE ACRES II** (A-389)

Jerry Schitter stated there are two lots (Lots 5 & 6 Hillside Acres II) at the edge of W. 15<sup>th</sup> St. that are currently being annexed into the City, but are still in the development stage, and he would like Board approval to petition the IURC to take over the territory from Dubois REC. Schitter said obtaining this territory would keep the City utilities from being cut off from future expansion to the west.

Sandy Hemmerlein said there would be no expenses up front, but the City would eventually owe REC 1/10 of 1 cent per KWH for any new customers within a 5-year period.

Ed Kreilein made a motion to allow Jerry Schitter to petition the IURC to annex Lots 5 & 6 in Hillside Acres II into the Jasper Municipal Utilities service territory. Jeff Theising seconded the motion. Motion approved, 7-0.

### **ELECTRIC PLANNING COMMITTEE REPORT** (A-430)

Mike Schwenk, Chairman of the Electric Planning Committee, stated there had not been a meeting to report on.

### **GAS HEDGING POLICY** (A-433)

Mike Oeding presented a handout to the Board concerning four different types of price hedging that could be used for the gas utility.

Oeding explained that fixed price hedging was the option he chose last year and he recommended using the same method this year to purchase 50% of our gas and the other 50% would be purchased at market value.

Oeding said gas storage is really good right now, but there are more people using natural gas because of the high oil prices, and a steady 3% difference in temperatures under the prediction for a 60-day period could almost wipe out the storage supply or make it dangerously low.

Oeding said he has been following gas prices over the futures market for the last couple of days and he feels the prices won't fluctuate too much over the winter.

Chairman Sendelweck suggested utilizing the Gas Planning Committee for communications with Oeding to decide when to settle on a gas price.

Ed Kreilein made a motion to allow Mike Oeding, after discussions with members of the Gas Planning Committee, to decide when to lock in a gas price. Dennis Hasenour seconded the motion. Motion approved, 7-0.

### **AUCTION RESULTS – TERRY LANE PROPERTY** (A-513)

Mike Oeding reported that Ken Otto from Jasper Equipment purchased the Terry Lane property at the auction for \$280,000.

### **MITCHELL & STARK SETTLEMENT OFFER** (A-576)

Mike Oeding informed the Board that while going over the lightning damage at the clearwell it was discovered that USEMCO failed to install a lightning arrestor, which led to great deal of damage.

Oeding said E & K Electric installed a new soft starter and the old part was shipped off to see if it would be worth repairing. As they were taking the old part apart they found loose bolts and missing pieces.

Oeding said he contacted Mitchell & Stark and sent them a bill for our labor and E & K's repair totaling \$6,282.98.

Oeding received a letter from USEMCO acknowledging the \$6,282.98 claim, but they were wondering why they weren't given the opportunity to do the work after the damage. Oeding explained he didn't know USEMCO was at fault until the part was removed and examined.

USEMCO agreed to pay the E & K Electric invoice for \$5,947.87, contingent upon the return of the damaged soft starter to USEMCO for their inspection.

Oeding recommended taking the settlement offer as presented.

Ed Kreilein made a motion to accept the settlement offer of \$5,947.87 from USEMCO as presented. Mike Schwenk seconded the motion. Motion approved, 7-0.

#### **CONTINUING EDUCATION FOR MIKE GOULD** (A-616)

Mike Oeding asked for Board approval for continuing education for Mike Gould in the amount of \$2,944.00. Gould is currently taking Electronic Devices II and Digital Electronics I at Ivy Tech.

Mike Harder made a motion to approve the continuing education request for Mike Gould in the amount of \$2,944.00, contingent upon him passing the classes. Mike Schwenk seconded the motion. Motion approved, 7-0.

#### **GAS PLANNING COMMITTEE REPORT** (A-630)

Dennis Hasenour, Chairman of the Gas Planning Committee, stated there had not been a meeting to report on.

#### **WATER PLANNING COMMITTEE REPORT** (A-631)

Jeff Theising, Chairman of the Water Planning Committee, stated there had not been a meeting to report on.

#### **WASTEWATER PLANNING COMMITTEE REPORT** (A-632)

Mike Harder, Chairman of the Wastewater Planning Committee, stated there had not been a meeting to report on.

#### **FINANCE COMMITTEE REPORT & PRESENTATION OF CLAIM DOCKET** (A-633)

Ed Kreilein reported the Finance Committee had met and reviewed the claims on the Claim Docket.

Also presented were claims on behalf of Harrison & Moberly, LLP in the amount of \$1,373.70, representing legal services relating to the Titan liquidated damages issue for the Wastewater Project. SRF and BIF funds have been exhausted, therefore after Utility Service Board approval, the above referenced claims will be paid from Wastewater funds.

The Finance Committee recommended approval of the claims as presented.

Mike Harder made a motion to approve the claims as presented. Mike Schwenk seconded the motion. Motion approved, 7-0.

### **RESOLUTION REGARDING PUBLIC MAINS** (A-644)

Sandy Hemmerlein presented Resolution #2004-8 regarding public mains. Hemmerlein explained that Mike Oeding gets questions from developers all of the time concerning the required water main size and other requirements and it would be helpful to have the requirements in writing.

Mike Oeding stated the resolution is basically stating their procedures as they are currently followed, but they are now in black and white.

Hemmerlein read the resolution aloud.

Jeff Theising made a motion to approve the Resolution #2004-8 as presented. Dennis Hasenour seconded the motion. Motion approved, 7-0.

### **TITAN CONTRACTING** (B-11)

Sandy Hemmerlein presented a copy of a letter dated September 14, 2004 from Attorney Bob Hoffman, addressed to Timothy Martin and Titan Contracting.

Hemmerlein said she feels we are to the point where we have satisfied all contractual prerequisites relative to the City's rights to pursue recovery against Titan and Cincinnati Insurance.

Hemmerlein stated now that we know what our final damages are; this letter is the final request for them to discuss this issue and try to reach a satisfactory resolution. If they choose to not respond within the 10-day limit, the next step would be to hold an Executive Session to discuss initiation of litigation against Cincinnati Insurance and Titan Contracting, followed by a Public Session to take action on the issue.

Hemmerlein suggested holding an Executive Session on Thursday, September 30, 2004 at 1:00 PM, followed by a Public Session, if they receive no response by September 24<sup>th</sup>.

### **QUOTE RESULTS – 3-PHASE POWER ANALYZER** (B-99)

Jerry Schitter reviewed the quotes opened earlier at the meeting and reported the low quote for the 3-phase power analyzer was from Instruments & Technology, Inc. for \$5,223.00.

Greg Krodel made a motion to accept the low quote from Instruments & Technology, Inc. for \$5,223.00. Jeff Theising seconded the motion. Motion approved, 7-0.

### **NEWTON STREET WATER TANK** (B-127)

Mike Oeding reported the Newton Street water tank has been drained, inspected, cleaned, and is currently being refilled. A report on needed repairs and upgrades will be presented at a future meeting.

There being no further business to come before the Board, the meeting was adjourned at 8:10 PM upon motion by Dennis Hasenour and second by Mike Schwenk. Motion approved, 7-0.

Attest: \_\_\_\_\_  
Secretary Chairman